

Exhibit A

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Saudis Are Shutting Down a Charity Tied to Terrorists

By DOUGLAS JEHL

WASHINGTON, June 2 - The Saudi government said on Wednesday that it was dissolving a large Riyadh-based charity, Al Haramain Islamic Foundation, that has raised as much as \$50 million a year and has been linked to the financing of terrorist organizations.

The charity's closing, sought by American officials for several years, represents a major step by the Saudi government to control a flow of money that has made the country a major source of financing for terrorists.

Saudi Arabia said it would merge assets held by Al Haramain and other charities into a single account to be overseen by a new national commission, whose distribution of Saudi funds overseas would be subject to strict accounting.

The Saudi move, announced at a news conference at the Saudi Embassy in Washington, was praised by American officials from the Treasury and State Departments. It came just days after the latest terrorist attack in Saudi Arabia killed 22 people, and reflected what Bush administration officials have described as unprecedented determination by the Saudi authorities to combat terrorism, even at risk of criticism from conservatives who have been the primary benefactors of Al Haramain and other Saudi charities.

Adel al-Jubeir, a senior adviser to Crown Prince Abdullah, Saudi Arabia's de facto ruler, said the purpose of the new commission was "to ensure that the charity of our citizens goes to those who need it." Since the 1970's, Saudi Arabia's oil wealth and its self-image as a center of Islamic faith have made it a major source of charitable contributions, helping to feed and shelter impoverished people around the world.

The shutdown of Al Haramain had been a major goal for both the Clinton and Bush administrations, but until Tuesday the Saudi government had limited its actions to smaller steps.

In January, the United States and Saudi Arabia acted jointly to seize the assets of Al Haramain's offices in Indonesia, Kenya, Tanzania and Pakistan by asking the United Nations to add them to its list of

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terrorist groups. In March 2002, American and Saudi officials shut down Al Haramain's offices in Somalia and Bosnia, charging that the two branches diverted money to terrorist groups.

At its peak, Al Haramain's operation in Saudi Arabia alone raised \$40 million to \$50 million a year, Mr. Jubeir said at the news conference.

Saudi officials said the assets of Al Haramain and other charities would be folded into the new Saudi National Commission for Relief and Charity Work Abroad. The commission "will take over all aspects of private overseas aid operations and assume responsibility for the distribution of private charitable donations from Saudi Arabia," the Saudi Embassy said in a statement.

Mr. Jubeir said the new commission would be subject to strict financial and legal oversight and would operate according to clear policies to ensure that charitable funds intended to help the needy were not misused.

It was not immediately clear which Saudi charities in addition to Al Haramain would be affected by the move.

Since the Sept. 11, 2001, attacks in New York and Washington, the United States government has redoubled its efforts to eliminate sources of financing for known terrorist organizations. Saudi Arabia itself has been hit by a series of terrorist attacks since last May, and it has won praise from American officials for taking new aggressive action in cracking down on militants, the clerics who support them and on their sources of financing inside and outside Saudi Arabia.

In a related step, the United States and Saudi Arabia said they were asking the United Nations to add five branches of Al Haramain to its list of terrorist financiers. If it agrees to do this, any assets found belonging to the branches would be frozen by United Nations members.

The branches are in the Netherlands, Albania, Afghanistan, Bangladesh and Ethiopia.

The Treasury Department said American banks would be ordered immediately to seize the assets of the five branches and those belonging to Aqeel Abdulaziz al-Aqil, the former leader of the Al Haramain charity.

"These entities and this individual have provided financial, material and logistical support to the Al Qaeda network, Osama bin Laden or the Taliban, fueling and facilitating their efforts to carry out vile acts against innocent individuals and the civilized world," said Juan Zarate, a deputy assistant treasury secretary.

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